

BUZZI UNICEM USA INC.



m045 0005 TaskID# 1902

m045 0021 TaskID# 1903

July 26, 2007

Ms. Susan White
Minerals Regulatory Program
Utah Division of Oil, Gas, and Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84116

RECEIVED
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DIV. OF OIL, GAS & MINING

Dear Ms. White:

Re: Approval Request to Update Reclamation Bond for Little Mountain Quarry (Permit # M/045/005) and Quarry Antone (Permit # M/045/021)

This letter is to request an approval for the attached updated reclamation bond cost estimate for the Little Mountain Quarry (Permit # M/045/005) and Quarry Antone (Permit # M/045/021) both of which are located in Tooele County and owned by Lone Star Industries, Inc, a Delaware Corporation doing business as Buzzi Unicem USA.

These are currently suspended limestone and shale mining operations located west of Grantsville on the east slope of the Stansbury Mountains, which in the past have supported a commercial cement operation. They are relatively small: Little Mountain Quarry has approximately 23 disturbed acres (\$69,800 current bond) and Quarry Antone has approximately 13 disturbed acres (\$49,900 current bond). Based on our files, their reclamation estimates are due for adjustment by August 21, 2007. Lone Star Industries would like to extend the permits and bonds for these quarries. The remaining limestone and shale reserves on these and our surrounding properties are capable of supporting significant future operations; and we desire to retain the property position and the existing mining permits in good condition to preserve the future economic potential of these properties.

In the last five years since these estimates were updated in 2002, essentially nothing has changed at the sites. A recent inspection by us indicated both properties are stable from a safety and environmental perspective and do not require any mitigative measures at this time. We believe that only the equipment and labor unit rates, and the other DOGM "add ons" need to be updated in the reclamation estimates. This has been accomplished in the attached spreadsheet, which was prepared by Bill Fuller P.E., JBR Environmental Consultants. Following your review and approval of updated reclamation bond amounts for both projects, we will proceed with submitting the appropriate surety instruments. We understand from your July 11, 2007 meeting with Bill Fuller and Brian Buck that the Division has not established a compliance date for this updated surety to be in place but we will do everything we can to achieve this goal in a timely manner.

Thank you for your assistance with this matter and feel free to contact me with any questions you may have on this matter

Sincerely,

Roderick Simmons
Director of Engineering and Construction Management

Cc: B. Buck, JBR
M. Malmquist, PB&L
W. Humenuk (BUU)
D. Nepereny (BUU)
B. Keim (BUU)

LITTLE MOUNTAIN COST ESTIMATE					Present study 2007		Equipment
		hours	other	units	\$/unit	cost	
A	Cleanup/removal of structures	40			389.88	15,595	dozer, Loader
B	Backfill, grading, contouring	24			324.26	7,782	dozer, grader
C	Topsoil distribution	8			181.50	1,292	loader
D	Revegetation		20	acres	455.00	9,100	Tiller, disc, seeder, tractor
E	Safety & fencing		4500	lin. ft	3.98	17,910	
F	Seed + fertilizer		20	acres	100.00	2,000	fertilizer
G	mob/demob					8,000	
H	RECLAMATION TOTAL					61,679	
I	Reclamation Supervision (10% of Reclamation Total)					6,168	
J	SUBTOTAL (1)					67,847	
K	Contingency(10%)					6,786	
L	SUBTOTAL (2)					74,632	
M	Escalation (for 5 years at 3.2% per year)					12,732	
N	GRAND TOTAL					\$ 87,364	
	GRAND TOTAL ROUNDED					\$ 87,400	

ANTONE COST ESTIMATE					Present study 2007		
		hours	other	units	\$/unit	cost	
A	Dozer	40			228.38	9,135	
B	Cat 950 Loader	40			161.50	6,460	
C	14G grader	40			195.88	7,835	
D	Revegetation		13.3	acres	455.00	6,052	
E	Safety & fencing		2500	lin. ft	3.98	9,950	
F	Seed + fertilizer		13.3	acres	100.00	1,330	
G	mob/demob					8,000	
H	RECLAMATION TOTAL					48,762	
I	Reclamation Supervision (10% of Reclamation Total)					4,876	
J	SUBTOTAL (1)					53,638	
K	Contingency(10%)					5,364	
L	SUBTOTAL (2)					59,002	
M	Escalation (for 5 years at 3.2% per year)					10,066	
N	GRAND TOTAL					\$ 69,068	
	GRAND TOTAL ROUNDED					\$ 69,100.00	

NOTE 1	equipment	equip \$/hr	Means 2007 ref	operator \$/hr	labor \$/hr		total	
	dozer D-7	128.13	01 54 33 20 4260	57.85	42.40		228.38	
	loader Cat 950	61.25	01 54 33 20 4730	57.85	42.40		161.50	
	grader Cat 14	95.63	01 54 33 20 1920	57.85	42.40		195.88	
	backhoe	50.63	01 54 33 20 0470	57.85	42.40		150.88	
	operator rate includes fringes- Means 2007 page 612							
	labor rate includes fringes- Means 2007 page 612							
NOTE 2	Fencing costs based on the average of three vendor estimates obtained on 1/23/02, Mountain States Fence, First Fence Co., and Western Fence Co. and escalated from the 2002 quote of \$3.08 per linear foot to a 2007 rate of \$3.98 per linear foot using Means 2007 cost index page 472							
NOTE 3	Revegetation includes broadcast seeding (\$280/acre) and compost/manure (\$175/acre). These rates are from the current DOGM rate sheet.							
	Fertilizer (\$100/acre) was obtained from the current DOGM rate sheet.							
	All revegetation work should be accomplished in the fall.							
NOTE 4	Post mining monitoring is included in the Reclamation Supervision							
NOTE 5	Mob - Demob		item	cost				
			Dozer	2000				
			Loader	2000				
			Grader	2000				
			Tractor	2000				
			TOTAL MOB-DEMOB	8000				